

Expanding Grant Capacity: Keys to Effective Financial Grants Management

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Today's Topics

- Financial Considerations
- Key Grant Financial Management Concepts
- Grants Accounting
- Single Audit and Common Audit Issues
- Tips for Success





Where is the world's largest ball of twine?







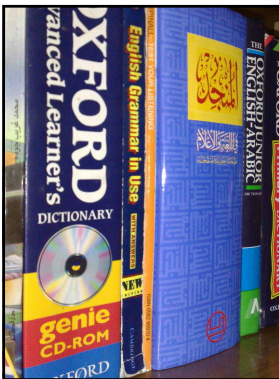


Factors to Consider

- Direct and Indirect Costs
- Capacity
- Reporting
- Match
- Cash Flow
- Sustainment



Key Grant Financial Management Concepts



Financial Terminology

- Budget period
- Financial obligation
- Period of performance
- Liquidation period
- Cost sharing or matching
- In-kind match
- Maintenance of effort
- Supplanting

Post Award Key Concepts

Be familiar with what **types of expenditures** are allowed.

Know the **budget period, period of performance, and liquidation period.**

Be aware if your grant has a **match or maintenance of effort** requirement.



Additional Key Concepts



Documentation and record retention



Interest and program income



Transfers to other entities may create a subrecipient relationship



Program Income

Includes but is not limited to:

- income from fees for services
- use or rental of property acquired
- sale of commodities or items fabricated
- license fees and royalties
- principal and interest on loans



Determining Relationships



Determination Makes a Difference

Contractor

Goods or services are procured following a procurement method

Subrecipient

Pass-through responsibilities apply

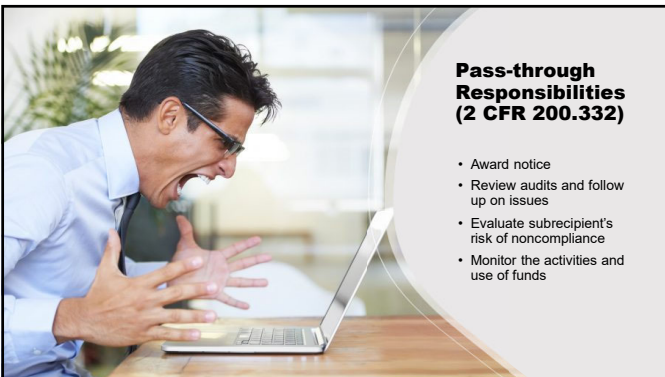
Beneficiary

Requirements are limited



Pass-through Responsibilities (2 CFR 200.332)

- Award notice
- Review audits and follow up on issues
- Evaluate subrecipient's risk of noncompliance
- Monitor the activities and use of funds



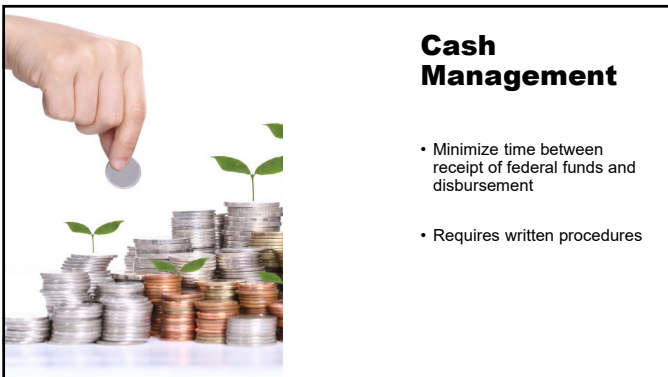
Allowability of Costs (2 CFR 200.403)

- Necessary and reasonable
- Allocable
- Conforming to limitations or exclusions
- Consistent with policies and procedures
- Costs are treated consistently
- Not included as a match or cost-share
- Adequately documented
- Incurred during the budget period





Supplement versus Supplant



Cash Management


- Minimize time between receipt of federal funds and disbursement
- Requires written procedures

Key Concepts to Remember

- DRAW FUNDS FOR IMMEDIATE NEEDS
- DISBURSE FUNDS TIMELY!
- PROCESS GRANT PAYMENTS VIA EFT

Personnel Costs

- Personnel costs directly charged should ensure appropriate documentation.
- Salaries of administrative and clerical staff normally are treated as indirect.
- Indirect costs must either have an approved rate or use the de minimis rate.





What is the cost to administer a grant program?

Direct Costs + Indirect Costs = Total Program Cost

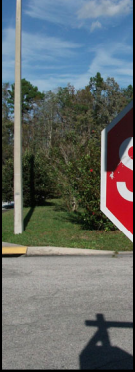


Direct versus Indirect Cost

Direct Cost	Indirect Cost
Directly traced to program	Not directly traced or easily assigned
Cost because of program	Incurred for a common purpose

What can be included in an indirect rate?



- Human Resource Costs
- IT Costs
- Accounting Costs
- Purchasing Costs
- Management Costs
- Oversight Costs
- Building Costs



What is NOT included in the rate?



- Executive Governance Costs
- Board Costs
- Executive Management

Indirect Cost Rate Options



Negotiate an indirect cost rate Use de minimis rate of 10% modified total direct cost

Who approves my rate?




COGNIZANT AGENCY PASS-THROUGH ENTITY (PTE)





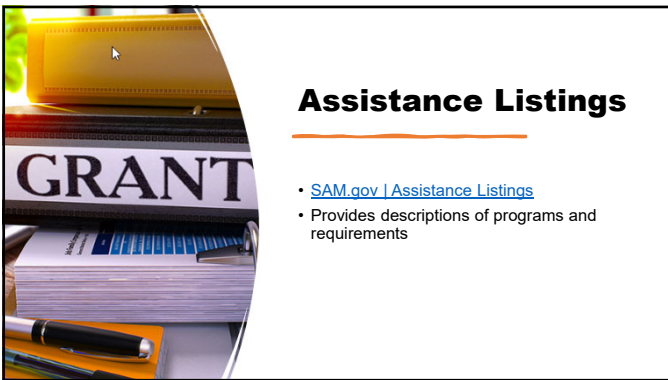
Financial Management
2 CFR 200.302 (b)

- Identification
- Accurate, current, and complete
- Effective internal controls and accountability
- Budget versus Actual
- Written procedures for federal payment and allowability



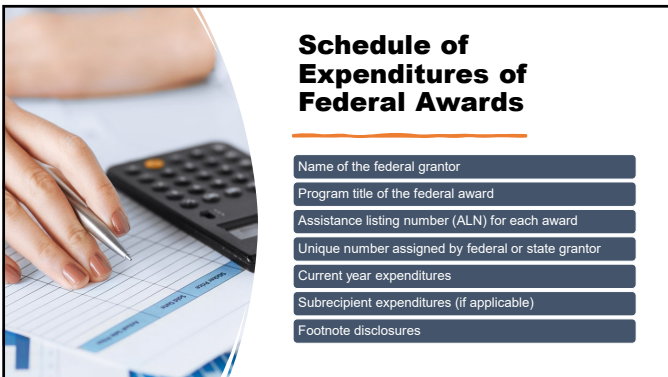


Single Audit



Assistance Listings

- [SAM.gov](https://www.sam.gov) | Assistance Listings
- Provides descriptions of programs and requirements



Schedule of Expenditures of Federal Awards

- Name of the federal grantor
- Program title of the federal award
- Assistance listing number (ALN) for each award
- Unique number assigned by federal or state grantor
- Current year expenditures
- Subrecipient expenditures (if applicable)
- Footnote disclosures

OMB Compliance Supplement

Auditor Road Map

[2023 Compliance Supplement – 2 CFR Part 200 Appendix XI \(May 2023\) \(whitehouse.gov\)](#)



Requirement	A	B	C	E	F	G	H	I	J	L	M	N
Program Number (10,000 (no matrix))	Apply/Not Apply or Unfunded	Allowable Cost/ Cost Principles	Management	Eligibility	Equipment Real Property Management	Matching Level of Effort, Indirect Costs	Period of Performance	Program Information	Reporting	Subrecipient Monitoring	Terms and Conditions	
10-500	Y	Y	N	N	N	Y	Y	N	N	Y	Y	N
10-511	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N
10-512	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N
10-514	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N
10-515	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N
10-516	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N
10-517	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N
10-520	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N
10-521	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N
10-545	Y	N	N	Y	N	N	Y	Y	N	Y	Y	N
10-551-10-561 (OSAP Cluster)	Y	Y	N	N	N	Y	N	Y	N	Y	Y	Y
10-551-10-555-10-556-10-559-10-582 (Child Nutrition Cluster)	Y	Y	N	Y	N	N	N	Y	N	Y	Y	Y

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Common Audit Issues

- Procurement
- Record Retention
- Inventory
- Documentation of allowable costs
- Segregation of duties
- Documentation of personnel costs
- Cash Management





- Be prepared!
- Understand the strings
- Be a part of the program!
- Consider reporting and close-out from the beginning
- Consider technology options
- Don't wait to reconcile and monitor use of funds

Tips for Success





Grant Related Resources

Code of Federal Regulations (Uniform Guidance)
https://ecfr.io/Title-02/cfr200_main

System for Award Management
<https://sam.gov/SAM/>

Federal Acquisition Regulations
<https://www.acquisition.gov/browse/index/far>

Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS)
<https://www.fsrs.gov/>

USASpending.gov
<https://www.usaspending.gov/#/>

Pandemic Response Accountability Committee
<https://pandemic.oversight.gov/>